

Message Text

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ORIGIN ARA-14

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SUBJECT:ECONOMIC RESOLUTIONS IN THE OAS GENERAL ASSEMBLY

1. IN THE GENERAL ASSEMBLY'S SECOND COMMITTEE, ECONOMIC AND SOCIAL AFFAIRS, THE U. S. JOINED THE CONSENSUS ON RESOLUTIONS ABOUT EXPORT PROMOTION ASSISTANCE, PREPARATIONS FOR THE EVENTUAL SPECIAL GENERAL ASSEMBLY ON COOPERATION FOR DEVELOPMENT, AND A PERUVIAN INITIATIVE ON "INTER-AMERICAN COOPERATION FOR ECONOMIC SITUATIONS THAT MAY ARISE". WE CAST THE SOLE NEGATIVE VOTE ON THREE OTHER RESOLUTIONS, ON TRANSNATIONAL ENTERPRISES, SUGAR, AND PROTECTIONISM. GUATEMALA WITHDREW ITS PROPOSAL ON PROMOTION OF COOPERATION AMONG THE COUNTRIES OF THE CARIBBEAN BASIN, APPARENTLY BECAUSE IT COULD NOT GENERATE SUFFICIENT INTEREST FROM THE OTHER CARIBBEAN STATES.

2. EXPORT PROMOTION - THE INTER-AMERICAN EXPORT PROMOTION
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CENTER (CIPE), HEADQUARTERED IN BOGOTA, WAS FINALLY TERMINATED. THE SECRETARIAT IS TO CLOSE THE BOGOTA OFFICE AND AT THE SAME TIME UNDERTAKE A COMPREHENSIVE EXPORT DEVELOPMENT PROGRAM AS ONE OF ITS REGULAR TECHNICAL ASSISTANCE ACTIVITIES. THE POSSIBILITY OF CREATING A NEW SEPARATELY FUNDED INSTITUTE TO REPLACE CIPE WAS REJECTED. COLOMBIA PARTICIPATED ACTIVELY IN CIPE'S TERMINATION, AND THE

RESOLUTION INCLUDES A SECTION THANKING COLOMBIA FOR ITS ASSISTANCE TO CIPE.

3. TRANSNATIONAL ENTERPRISES - THE PERMANENT COUNCIL'S PAINSTAKING CONSENSUS ON TNE'S OF JUNE 14 (STATE 155787) COLLAPSED WHEN BRAZIL ANNOUNCED THAT TO GIVE THE U.S. POSITION EQUAL WEIGHT WITH THE LATIN AMERICAN POSITION WOULD PREJUDICE ITS OWN POSITION WITHIN THE GROUP OF 77 DURING UN CODE OF CONDUCT NEGOTIATIONS. WE COULD NOT SUPPORT A RESOLUTION GIVING THE LA POSITION GREATER WEIGHT THAN OUR OWN. THE VERSION ADOPTED BY THE COMMITTEE 20 TO ONE (U.S.) OMITTS ANY REFERENCE TO THE U.S. POSITION IN ITS OPERATIVE PARAGRAPHS BUT APPENDS U.S. OBSERVATIONS ON THE LATIN AMERICAN CODE OF CONDUCT GUIDELINES. RETENTION OF THIS APPENDIX MAY BE AN OVERSIGHT TO BE CORRECTED IN PLENARY SESSION.

4. SUGAR - WE CAME WITHIN ONE WORD OF REACHING A CONSENSUS ON A SUGAR RESOLUTION ORIGINALLY PRESENTED BY GUATEMALA (BY RENE MONTES, ITS DELEGATE TO THE ISO IN LONDON). AFTER CONSIDERABLE DEBATE AND TWO ATTEMPTS TO FIND COMPROMISE LANGUAGE IN SMALL WORKING GROUPS, THE QUESTION CAME DOWN TO WHETHER WE COULD REFER TO SUGAR POLICIES OF EXPORTING AS WELL AS IMPORTING COUNTRIES. THE DOMINICAN REPUBLIC INSISTED THAT ONLY IMPORTING COUNTRIES BE URGED LIMITED OFFICIAL USE

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TO ELIMINATE POLICIES AFFECTING THE OPERATION OF THE INTERNATIONAL SUGAR AGREEMENT. WE COULD NOT SUPPORT THIS ONE-SIDED FOCUS. WITH CONSENSUS THUS IMPOSSIBLE, THE DR AMENDED THE LANGUAGE TO REFER SPECIFICALLY TO THE U.S. RATHER THAN JUST TO IMPORTING COUNTRIES, AND THE RESOLUTION WAS APPROVED BY ALL THE OTHER MEMBERS. ASIDE FROM THIS UNBALANCED PARAGRAPH, THE RESOLUTION GIVES STRONG SUPPORT TO THE ISA, WHICH WE ENDORSED.

5. PROTECTIONISM - PERU ACTED AS SPOKESMAN FOR A RESOLUTION ON PROTECTIONIST TRENDS IN TRADE. THERE WAS NO SERIOUS ATTEMPT TO GET U.S. APPROVAL, BUT RATHER THE IDEA SEEMS TO HAVE BEEN TO EXPRESS ALARM IN A WAY ALL THE OTHER MEMBERS COULD SUPPORT. WE WERE PREPARED TO ACCEPT AN EXPRESSION OF CONCERN ABOUT PROTECTIONIST TRENDS IN THE DEVELOPED COUNTRIES, AND AN INSTRUCTION TO THE PERMANENT COUNCIL AND THE ECONOMIC AND SOCIAL COUNCIL TO STUDY THE TRADE POLICIES OF THE INDUSTRIALIZED COUNTRIES AND THEIR IMPACT ON LATIN AMERICAN EXPORTS. WE EXPLAINED THAT THE U.S. ADMINISTRATION IS STRONGLY OPPOSED TO PROTECTIONISM, AS PRESIDENT CARTER STATED IN HIS OAS SPEECH A WEEK EARLIER, AND WE COULD NOT ACCEPT PARAGRAPHS ALLEGING THAT PRO-

TECTIONISM IS ALREADY REFLECTED IN OUR POLICIES.

6. SPECIAL GENERAL ASSEMBLY - COLOMBIA ORIGINATED A RESOLUTION CALLING FOR RENEWED EFFORTS TO PREPARE FOR THE LONG-APPROVED BUT AS YET UNSCHEDULED SPECIAL GENERAL ASSEMBLY ON COOPERATION FOR DEVELOPMENT. THERE WAS NOTABLE LACK OF ENTHUSIASM FOR THIS INITIATIVE, AND THE FINAL HORTATORY VERSION IS WATERED DOWN CONSIDERABLY FROM THE ORIGINAL. THE COLOMBIAN DELEGATE EXPLAINED THAT HIS PURPOSE WAS TO FOLLOW UP ON HIS FOREIGN MINISTER'S CALL FOR GREATER ACTIVITY ON ECONOMIC MATTERS IN THE OAS.

7. "INTER-AMERICAN COOPERATION FOR ECONOMIC SITUATIONS THAT MAY ARISE" - PERU'S AMBASSADOR MARCHAND EXPLAINED LIMITED OFFICIAL USE

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THAT THIS PROPOSAL SPRANG FROM HIS COUNTRY'S RECENT EXPERIENCE IN NEGOTIATING WITH INTERNATIONAL AGENCIES ABOUT A SERIOUS ECONOMIC SITUATION. SINCE PERU HAD BY NOW ADOPTED THE APPROPRIATE ECONOMIC MEASURES, AND HAD RECEIVED VALUABLE SUPPORT FROM ARGENTINA, BRAZIL, THE DOMINICAN REPUBLIC, MEXICO, AND VENEZUELA, ITS IMMEDIATE CRISIS WAS PAST. HE NEVERTHELESS WANTED TO OUTLINE INTER-AMERICAN CONSULTATION PROCEDURES OTHER COUNTRIES COULD UTILIZE SHOULD THEY FIND THEMSELVES IN SIMILAR SITUATIONS. THE ACTUAL RESOLUTION MERELY SUGGESTS THAT THE MEMBER COUNTRIES CONSULT PERIODICALLY ON ECONOMIC PROBLEMS THEY MIGHT HAVE, TAKE APPROPRIATE JOINT OR INDIVIDUAL MEASURES, AND CALL FOR SPECIAL OAS MEETINGS IF DESIRED. NUMEROUS COMMENTS AND AMENDMENTS MADE CLEAR THAT THESE PROCEDURES ARE ALREADY AVAILABLE AND THAT NO NEW MECHANISMS WERE BEING CREATED. ON THIS BASIS THE RESOLUTION WAS ADOPTED BY CONSENSUS. VANCE

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